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27 July 1972

MEMORANDUM FOR: Director of Security

SUBJECT : Annual Management Report
(Status Report)

1. The attached notebook contains all of the essential papers needed for your meeting with the DDS after the regular staff meeting on 1 August 1972. Purpose is to discuss our progress relative to subject report.
2. Enclosure I is OMB Circular A-44 (Revised), dated 24 May 1972 and contains the guidelines to be followed in making our report. Please note the format which is to be used for reporting.
3. Enclosure II is the implementing instructions by the Acting Deputy Director for Support to all DDS Components. Included in the Agency's FY 1971 report (Tab A) which contains three (3) items submitted by the Office of Security and a summary of OMB Circular A-44 (Revised) (Tab B).
4. Enclosure III is a copy of our report submitted last year to the DDS Plans Staff. We reported only what we considered the most significant items.
5. Components of Security have responded by either submitting interim or final reports. As of this date, we have a number of significant items which we will consider for the report as indicated below:

a. Section II - Priority Improvement Projects

(1) Microfiche Program for Retired Files

[Redacted]

[Redacted]

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b. Section IV - Automatic Data Processing (ADP)
Improvements

- (1) Case Processing and Evaluation Reports
(CAPER-OS)
- (2) ADPE - Used for SANCA, SPECLE,
SEADORS and USAINTC/NACC Telecom
Link

c. Section VI - Productivity Improvements

- (1) Security Re-indoctrination Program #4
- (2) ADP Improvements
- (3) Mobile Shelving Program
- (4) Microfiche Program for Retired Files

d. Section VII - Cost Reductions

- (1) Exchange of ADP equipment (UNIVAC
for IBM)
- (2) NPIC security declassification procedure
resulting in a saving

Additional items will be considered upon receipt of the final reports and the development of further information in others. As you will note in the DDS memo of 12 July 1972 quality and validity is more important than quantity. Enclosure #4 contains instructions issued by this Division in the preparation of the reports and the contributions received. Many of these items submitted are not considered significant. However, I believe we will have a worthwhile report.

6. Enclosure V contains some comments on Section I - Management Reviews - for which the Inspector General is responsible.

7. The main comment received from our people is that the requirements for the report do not relate to our specific activities. The feeling is that the wording of the report guidelines is more

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oriented toward DDP terminology and operational structure. We would suggest that in the future DDS hold briefings for representatives of the DDS preparing the reports in order to discuss the problems inherent to such report making.

8. We will meet the deadline of 8 August 1972 to the DDS.



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Chief, Executive and Planning Division

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TAB'S

ADMINISTRATIVE --- INTERNAL USE ONLY

DD/S 72-2622

30 June 1972

MEMORANDUM FOR: Director of Communications
Director of Finance
Director of Logistics
Director of Medical Services
Director of Personnel
✓ Director of Security
Director of Training
Chief, Support Services Staff
[REDACTED]

STAT

SUBJECT : Management Review and Improvement Program
REFERENCE : OMB Circular A-44 (Revised), dated May 24, 1972

1. A copy of referent circular is forwarded for your information since there will be some delay in the issuance of implementing instructions from the Office of Planning, Programming and Budgeting. We understand that [REDACTED] of O/PPB will be in charge of this project.

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2. O/PPB instructions should be issued within a few weeks and will be forwarded to you as soon as available.

[REDACTED]
Acting Chief, DD/S Plans Staff

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Att.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 24, 1972

CIRCULAR NO. A-44
Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Management review and improvement program

1. Purpose. The purpose of this Circular is to provide guidelines for (a) management review and (b) management improvement, that will focus agency efforts on operating programs and on the functions essential to their support. These efforts will be evaluated at all levels based on contributions made to achieving operating program objectives.
2. Rescissions. Effective September 1, 1972, this Circular supersedes and rescinds Circular No. A-44, Revised, dated February 16, 1970, subject, Establishment of a management improvement program applicable to all Government operations, and Transmittal Memorandum No. 1, thereto, dated June 17, 1970, subject, Government-wide study to improve Federal reporting and reduce related paperwork; and, Circular No. A-79, dated July 3, 1968, subject, Report of accomplishments in the use and management of automatic data processing (ADP). Reporting requirements specified in these rescinded directives are superseded by this Circular effective September 1, 1972.
3. Authority. Statutory provisions require the Office of Management and Budget to issue guidance to be followed by departments and agencies in reviewing and improving their operations; and require OMB to assess department and agency management.
4. Coverage. The provisions of this Circular are applicable to the management of all executive branch operating programs and supporting functions unless they are exempted in writing by the Office of Management and Budget.
5. Definitions. For the purposes of this Circular the following definitions apply.
 - a. Operating program. A mix of activities and resources under common management organized to accomplish a department or agency mission.
 - b. Management review. An objective examination, analysis, and appraisal made by a department or agency of its operating programs, functions, or organizational units.
 - c. Management improvement. An effort implemented by a department or agency that increases productivity, renders more timely service, provides better quality, or reduces costs of an

operating program in relation to the achievement of its objective.

6. Responsibilities of the Office of Management and Budget.

a. Guidance. The Office of Management and Budget will promote the management review and improvement program through:

✓(1) Idea interchange. Appropriate means will be developed for the interchange of management review and improvement ideas. Special emphasis will be placed on disseminating information concerning quantitative improvement techniques such as value analysis and cost-effectiveness analysis.

x (2) Interagency management projects. Interagency management projects will be monitored and the departments and agencies will be advised of applicable efforts planned or in process.

x (3) Annual management letters. Departments and agencies will be provided with an annual assessment of their management review and improvement program efforts, and specific management issues requiring department or agency action will be identified.

b. Assessment. The Office of Management and Budget will assess the progress of the management review and improvement program through:

→(1) Surveys. On-site management surveys will be conducted by teams comprised of OMB and agency personnel. The surveys are designed to examine and evaluate the management capability of a department or agency and gauge whether top management needs are adequately served. Such surveys may be initiated by OMB or at the request of a department or agency head.

(2) Study of common areas. Common operational areas will be selected periodically for Government-wide study.

(3) Reports appraisal. Department and agency annual management reports will be appraised.

(4) Review of agency actions. Department and agency management actions taken in response to management issues identified in annual management letters and in budget hearings will be reviewed.

(5) Other actions. Other means will be determined by OMB as appropriate.

7.. Responsibilities of departments and agencies. The head of each department and agency will establish a continuing and systematic review and improvement program at all levels in accordance with the guidelines contained in this Circular. Responsibility for coordination of the management review and improvement program may be delegated to a top level official reporting directly to the department or agency head. The coordinator shall be assigned the responsibility for assuring that:

a. Program procedures provide for proper coordination and conform to the guidelines in this Circular.

b. Presidential Management Improvement Award nominees are fairly considered without reference to sex, race, creed, national origins, grade, rank, or other nonsubstantive factors, and to assure that nominations represent accomplishments of sufficient significance to warrant Presidential recognition.

c. An annual management report is prepared in accordance with paragraph 10 and is submitted to the Director, Office of Management and Budget.

8. Management review guidelines. Department and agency management review procedures will provide for:

a. Examination, analysis, and appraisal. Reviews will include:

(1) Examination of operating programs to ascertain their impact on accomplishing a significant aspect of the overall mission.

(2) Analysis of operations to determine whether they are being performed efficiently and effectively.

(3) Appraisal of alternative approaches for performing operations in a more cost-effective manner.

b. Review coordination. Reviews will be coordinated through:

(1) Establishment of review schedules to assure that appropriate planning precedes initiation of management reviews.

(2) Assessment of management review recommendations to determine impact on all operating program objectives.

(3) Screening of review recommendations to identify those which should be designated as priority management improvement projects as specified in paragraph 9-a(1).

(No. A-44)

(4) Prompt dissemination of recommendations to the level capable of initiating necessary corrective actions.

(5) Establishment of a control system that will assure the satisfactory implementation of all approved corrective actions.

9. Management improvement guidelines. Department and agency management improvement procedures will provide for the accomplishment of priority improvement projects and other improvement projects.

a. Priority improvement projects.

(1) Selection. Prior to the beginning of each fiscal year, a limited number of areas requiring top management attention will be designated as priority improvement projects. Such projects will identify areas requiring improvement during the year based on an assessment of all applicable evaluation sources, including management review recommendations and should consider:

(a) The need for improving the operating program or function in terms of accomplishing the mission.

(b) The cost-effectiveness of an improvement in terms of the potential benefits to be obtained.

(c) The availability of resources to apply to the proposed improvement in terms of department or agency-wide priorities.

(d) The opportunity presented by an improvement for new initiatives that will encourage the better use of resources.

(2) Objective and performance indicators. Management improvement objectives and performance indicators will be established and quantified, where practicable, for each priority improvement project. Performance indicators should permit continuous and total assessment of progress in the attainment of each improvement objective and should reflect: (a) increases in productivity, (b) more timely service rendered, (c) better quality in the output, or (d) reduced costs for the operating program or supporting function.

(3) Implementation. Priority improvement projects will be implemented through the appropriate operating program or supporting function managers.

(4) Periodic evaluation. Actual performance achieved will be compared at appropriate intervals during the year against

(No. A-44)

each performance indicator initiated through the appropriate operating program or supporting function manager. Comparisons will reflect a balanced assessment of productivity, service, quality, and cost indicators to assure that corrective actions foster the total improvement desired for each objective.

b. Other improvement projects. Other improvement projects will be implemented through the appropriate operating program or supporting function manager, to the extent of available management improvement resources. Efforts should be concentrated on:

(1) Financial operations as defined in "The Joint Financial Management Improvement Program in the Federal Government of the United States," 1967, GPO No. OF-278-392.

(2) Automatic data processing operations as defined in OMB Circular No. A-83, subject, ADP Management Information System (ADP/MIS).

(3) The management of internal, interagency, and public reports as defined in OMB Circular No. A-40 and the Federal Property Management Regulations.

(4) The productivity of Government operations including development of productivity indices, better use of work measurement systems, expanded use of unit cost measures, and productivity justification of capital investments.

(5) The utilization of available resources at all levels to reduce the cost of currently approved programs or budget estimates including the elimination of nonessential activities and positions, adjustments in existing activities and procedures, use of labor-saving equipment, economical procurement, and other actions that will reduce costs.

(6) Common operational areas which are periodically designated by the Office of Management and Budget for Government-wide study.

c. Improvement coordination. The scheduling of other improvement projects will be coordinated with the selection of priority improvement projects to assure that they complement the priority projects. Other improvement projects should be designated as priority improvement projects when appropriate in the judgment of a department or agency. For example, budgetary constraints may warrant designation of an overall effort to reduce costs as a priority improvement project.

(No. A-44)

d. Improvement incentives. Appropriate improvement incentives will be used to encourage improvements. Incentives should include:

(1) The interchange of ideas within a department or agency stressing innovative improvements and techniques that may be adapted for use in areas other than where originated; and

(2) The nomination of individuals or groups who have made exceptional and outstanding contributions to the achievement of management improvements for Presidential Management Improvement Awards. These Awards represent the pinnacle of recognition granted by the Federal Government for management improvement and, as such, are an important part of various other forms of recognition which may be granted by the head of a department or agency through the Federal Incentive Awards Program.

10. Reports. Each department and agency with 200 or more full time regular employees will submit to the Director of the Office of Management and Budget, by September 1, of each year, an annual management report. The report will be prepared in accordance with the format and instructions contained in the Attachment and the Exhibit, and will be submitted with a brief covering transmittal that evaluates the total effect of reported plans and accomplishments in the achievement of operating program objectives. Agencies with fewer than 200 full time regular employees will submit a narrative annual management report. The first submittals, due on September 1, 1972, will cover accomplishments during fiscal year 1972 and plans for fiscal year 1973, except as noted in the Exhibit.

11. Effective date. The effective date for implementation of guidelines in this Circular is July 1, 1972.

12. Inquiries. Inquiries should be addressed to the Office of Management and Budget, Organization and Management Systems Division, Washington, D.C. 20503.

GEORGE P. SHULTZ
Director

CIRCULAR NO. 117
REVISED

Management Review and Improvement Program

Annual Management Report

1. Purpose of the report. The annual management report is designed to serve three purposes:

a. Promote an annual assessment by the departments and agencies of their management review and improvement program;

b. Assist the Office of Management and Budget in assessing department and agency progress and responsiveness in implementing the management review and improvement program; and

c. Consolidate interagency management review and improvement reporting requirements.

2. Number of copies. Each department and agency will submit four copies to OMB.

3. Report transmittal. A brief covering transmittal which summarizes the impact of reported plans and accomplishments on achieving operating program objectives will be submitted with the annual management report.

4. Report sections. The annual management report is divided into eight sections as specified in the Exhibit:

a. Management reviews (Section I);

b. Priority improvement projects (Section II);

c. Financial accomplishments and plans (Section III);

d. Automatic data processing (ADP) improvements (Section IV);

e. Management of Federal reports (Section V);

f. Productivity improvements (Section VI);

g. Cost reductions (Section VII); and

h. Nominees for Presidential Management Improvement Awards (Section VIII).

(No. A-44)

5. Preparation guidelines. The following general guidelines will be applied in preparing the annual management report:

a. Limitations. Reportable data will be limited to review and improvement plans and accomplishments initiated by a department or agency through new or improved management actions. Externally imposed actions such as externally directed budget and personnel reductions or legislative changes are not reportable.

b. Data availability. If requested, departments and agencies will be prepared to provide to the Office of Management and Budget substantiating data for any information submitted in the annual management report. Departments and agencies are not required to maintain central files of substantiating data and are encouraged to retain such data at the originating level.

c. Validation. Departments and agencies will assure that an independent evaluation has been made of the reasonableness and validity of reported accomplishments. This independent evaluation must:

(1) Be made by an organization other than the organization responsible for the accomplishment; and

(2) Provide through sampling, or other appropriate technique, an acceptable level of confidence that the accomplishment actually took place and is valid as reported.

d. Idea interchange. Departments and agencies will highlight improvements in any Section of the report that may have applicability for other departments and agencies.

ANNUAL MANAGEMENT REPORT

SECTION I - MANAGEMENT REVIEWS

IG REPORT
To To, etc.

Brief description of procedures established to conduct management reviews:*

- a. Review policy.
- b. Review objectives.
- c. Review approach.

Review plans for current year summarizing in brief narrative statements:**

- a. Operating program objectives to be examined.
- b. Major operations to be analyzed.

Review achievements for past year summarizing in brief narrative statements of changes in:**

- a. Operating program objectives
- b. Major operations

Description should reference any on-going examination, analysis, and appraisal efforts which an agency has designated as part of its management review procedures. This description is to be reported only in the first submittal or in subsequent submittals when a significant change in management review procedures has been implemented.

Review plans and achievements may be precleared by an agency with the applicable OMB program division prior to submittal to facilitate delineation of an appropriate level or detail. Review achievements for fiscal year 1972 do not have to be reported.

SECTION II - PRIORITY IMPROVEMENT PROJECTS*
 Approved For Release 2002/08/15 : CIA-RDP83B00823R000400080001-5

1. Project title.
2. Identification of program or function covered by the Project.
3. Summary statement of improvement approach:
 - a. Brief description of Project.
 - b. Reasons Project was selected.
 - c. Brief evaluation of the usefulness of primary improvement techniques (e.g., value analysis, cost effectiveness analysis, etc.) applied.
4. Specification of improvement objectives and performance indicators:

Performance	-----Performance-----	-----Objectives-----
Indicators**	BPRI***Base Year Past Year	Past Year Current Year

- a. Productivity.
- b. Service.
- c. Quality.
- d. Cost.
5. Assessment of performance:
 - a. Reasons for short fall or above average performance.
 - b. Corrective action initiated or required.
 - c. Target dates for improvement objective achievement.

*Submit this Section for each Priority Improvement Project. Priority Improvement Projects for fiscal year 1972 may be reported in the format contained in Exhibit 1 to Circular No. A-44, Revised, dated February 16, 1970.

**Develop all four indicators for each Project if applicable. If not applicable, explain.

***Base period reference identification: A = Past year: B = As of June 30 of 1972.

SECTION III - FINANCIAL ACCOMPLISHMENTS AND PLANS

Significant accomplishments and Future Plans

Submit narrative description for each significant improvement completed during the fiscal year and the resulting benefits therefrom classified by functional code as follows: (1) Organization, (2) Budgeting, (3) Accounting, (4) Cash Management, (5) Reporting, (6) Auditing, (7) Staffing and Training, or (8) Automation (only if another code does not apply). Each narrative statement should include a description of the agency's future plans for further improvements and should include a realistic target date for completion. (If reported in Section II, list only the Priority Improvement Project title and the functional code.)

Status of approval of accounting systems

Organization and/or Accounting Entity	Status of Comptroller General Approval		System** in Operation
	Principles* and Standards	Accounting* System Design	
(a)	(b)	(c)	(d)

Enter the status date preceded by the appropriate code from the following list:

CG, for formal approval
Sub, for formal submission
Tgt, to indicate the date is a target for submission
NA, means not applicable - system not legally subject to Comptroller General approval

Enter the progress date preceded by the appropriate code from the following list:

In. opn, to indicate system is installed and operating as approved
Tgt, to indicate the date is a target for completion of the installation
CG, to indicate system in operation approved by the Comptroller General

Explanation of postponement of Target Dates

<u>Last Year Report</u>			<u>Reason for slippage and action taken</u>
<u>Accounting Entity</u>	<u>Target Date</u>	<u>New Target Date</u>	<u>to avoid additional slippage</u>
(a)	(b)	(c)	(d)

SECTION IV - AUTOMATIC DATA PROCESSING (ADP) IMPROVEMENTS*

Approved For Release 2002/08/15 : CIA-RDP83B00823R000400080001-5

Identification of
Program or Function

Description
of Improvement

1. Significant improvements in the performance level of a program or function as a result of using ADP capability:
 - a. Planned for current year.
 - b. Achieved during past year.
2. Significant improvements in the management of computer facilities and resources:***
 - a. Planned for current year.
 - b. Achieved during past year.

*Information to be reported in this Section is covered in Circular No. A-83.

**If reported in Section II, list only the Priority Improvement Project title.

***Report such improvements as consolidation of computer facilities, results from the use of hardware and software monitoring techniques, standardization of system requirements, etc.

SECTION V - MANAGEMENT FEDERAL REPORTS*
 Approved For Release 2002/08/15 : CIA-RDP83B00823R000400080001-5

Brief description of procedures established to manage Federal reports:**

- ✓a. Reports management policy.
- ✓b. Reports management objectives.
- ✓c. Reports management approach.

Cost of reports:***

Reporting Category	Cost		
	July 1 (Past Year)	July 1 (Current Year)	Difference
a. Public Reporting (man-hours)			
b. Interagency Reporting (dollars)			
c. Internal Reporting (dollars)			

Information to be reported in this Section is covered in Circular A-40 and the Federal Property Management Regulations.

This description is to be reported only in the first submittal or in subsequent submittals when a significant change in reports management procedures has been implemented.

Attach a summary analysis of difference in cost of reporting over the past year citing such factors as the reporting impact of new programs and an assessment of the effectiveness of reports management efforts.

Identification of
Program or Function

Description
of Improvement

1. Significant improvements in the productivity of Government operations planned for the current year.
2. Significant improvements in the productivity of Government operations achieved in the past year.

*Information to be reported in this Section is covered in Circular A-11, Section 24.3. Productivity Improvements for fiscal year 1972 do not have to be reported.

**If reported in Section II, list only the Priority Improvement Project title. In all other cases, include a productivity index in the description of the improvement.

SECTION VII - COST REDUCTIONS*

1. Overall cost reduction dollar savings goal for current year.
2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year**</u>	<u>Current Year***</u>	<u>Budget Year***</u>
a. Finance other approved requirements of the reporting unit			
b. Reprogrammed to finance other approved requirements			
c. Placed in reserve or applied to reducing the President's budget			

3. Summary descriptions of past year cost reduction achievements when the achievement:
 - a. Has applicability to other departments and agencies; or
 - b. Has a significant estimated budgetary effect in the current or budget year.

*If cost reduction is selected as a Priority Improvement Project and reported in Section II, this Section will not be submitted.

**Dollar savings actually achieved during the past year.

***The estimated budgetary effect in the current and budget year of cost reductions achieved in the past year, if applicable, as covered in Circular A-11, Section 24.1.

SECTION VIII - NOMINEES FOR PRESIDENTIAL MANAGEMENT IMPROVEMENT AWARDS

1. Submit for each nomination:

- a. Nominee's name, title, and grade; or identification of group.
- b. Organization.
- c. Summary of achievement.
- d. Summary of benefits.
- e. Agency contact official (name, title, phone number).
- f. Any agency award that has been granted or is in process for the achievement.
- g. Specific evidence of the degree of ingenuity, innovation, extraordinary dedication, exceptional skill demonstrated by the nominee.
- h. Any additional pertinent information.

2. Nomination limitations: None. However, each potential nomination should be carefully screened to assure that the nomination is warranted. If more than one nomination submitted, indicate the order of preference.

Encl. II

HIGHLIGHTS OF DDS MEMO, 12 JULY 1972

1. Objective of exercise is not the preparation of an impressive report; rather it is the identification and achievement of goals and objectives in improvement in program management, productivity, evaluation and performance which will accrue to the overall benefit of the Agency.

2. Report will be submitted as follows:

- a. SECTION I (Management Reviews), Inspector General responsible.
- b. SECTION II (Priority Improvement Projects)
- c. SECTION III (Financial Accomplishments and Plans), Director of Finance responsible.
- d. SECTION IV (Automatic Data Processing (ADP) Improvements)
- e. SECTION V (Management of Federal Reports), determination not made as to whether this section is to be prepared.
- f. SECTION VI (Productivity Improvements)
- g. SECTION VII (Cost Reductions)
- h. SECTION VIII (Nominees for Presidential Management Improvement Awards), Submit through Director of Personnel

3. SECTIONS II, IV, VI and VII - Submit to DDS by COB 8 August 1972.

4. SECTIONS II (Priority Improvement Projects) and VI (Productivity Improvements) of this year's report is to focus on real improvements in our management procedures for establishing priorities, evaluating performance and setting goals, all with the aim of increasing our overall effectiveness.

5. Reported accomplishments should bear up under scrutiny and future management improvement actions and plans should reflect serious intentions.

6. Quality and validity of reported items more important than quantity.

7. In covering memorandum, you may suggest priority improvement projects which require Agency-wide attention and action by Executive Director in order to implement.

8. Prescribed format only is to be used.

9. Report we are asked to write is not primary objective of OMB Circular; rather sustained management review and improvement of this Agency's programs are the primary responsibilities levied on us by OMB Circular.

10. 1 August 1972 - DDS Staff meeting for discussion of progress.

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DD/S 72-2741

12 JUL 1972

MEMORANDUM FOR: Director of Communications
Director of Finance
Director of Logistics
Director of Medical Services
Director of Personnel
✓ Director of Security
Director of Training
Chief, Support Services Staff

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SUBJECT

: OMB Circular A-44 (Revised) dated 24 May 1972
-- "Management Review and Improvement Program"

REFERENCE

: Memo dtd 30 Jun 72 to Above Adses fr Acting Chief,
DDS/Plans Staff; subject: Management Review
and Improvement Program

1. Mr. Colby has written to the Deputy Director for Support:

I am sure you are well aware of the President's instructions to each Department and Agency to intensify management review of federal activities, programs and services within its areas of responsibility and with the explicit goal of substantially increasing the performance level, productivity and quality of federal programs at lower cost. The Director of Central Intelligence intends and expects that this Agency will support these efforts in a positive and constructive manner.

2. Except for the specific instructions mentioned below, the Attachment and the Exhibit to OMB Circular A-44 (Revised) contain the format and instructions for preparing the Annual Management Report required by A-44 (Revised).

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3. While an Annual Management Report is required, OMB Circular A-44 (Revised) delineates the several elements of the government's management improvement and review program. While obviously we must prepare the required reports, it should be kept in mind that the objective is not the preparation of an impressive report; rather, it is the identification and achievement of goals and objectives in improvement in program management, productivity, evaluation and performance which will accrue to the overall benefit of the Agency as well as the government (i.e., the people).

4. While we only are required by A-44 (Revised) to prepare an Annual Management Report, the responsibilities of federal departments and agencies regarding management review and improvement as delineated in A-44 (Revised) are in effect year-round.

5. Within this context and under the guidelines contained in OMB Circular A-44 (Revised) dated 24 May 1972, the Support Directorate is requested to submit to the Director of Planning, Programming and Budgeting by 15 August 1972 details of plans and accomplishments as outlined in Sections II, IV, V, VI, VII and VIII of OMB Circular A-44 (Revised). The Inspector General is responsible for Section I. Section III will be prepared by the Director of Finance. Section VIII (Nominees for Presidential Management Improvement Awards) should be submitted through the Director of Personnel. The remaining Sections should be submitted to the DD/S Plans Staff by COB 8 August 1972 for preparation of the Directorate response.

6. In preparing material for this report, I particularly invite your attention to:

a. The Support Directorate's Management and Effectiveness and Cost Reduction goals outlined in last year's report to OMB, Sections III and IV (Attachment A), against which our actual accomplishments should be measured.

b. Sections I, II and VI of this year's report as vehicles for you to focus on real improvements in our management procedures for establishing priorities, evaluating performance and setting goals, all with the aim of increasing our overall effectiveness in carrying out CIA's important mission.

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7. The Director of Planning, Programming and Budgeting has been assigned the task of integrating these contributions into an overall Agency report, which is due at OMB by 1 September 1972. In carrying out this responsibility, he will be utilizing the advice and guidance of the Special Assistant to the Executive Director-Comptroller for Information Control with regard to Section V; the support of the IP Board for Section IV; and the Director of Personnel with regard to Section VIII.

8. In preparing your Office's contribution to the Agency report, care should be taken to report only those accomplishments and plans which are reasonably significant in terms of achieving some Agency management, operational or cost reduction goal. Your reported accomplishments, of course, should bear up under scrutiny and future management improvement actions and plans should reflect serious intentions. The quality and validity of reported items are more important than quantity. In a covering memorandum, you may suggest priority improvement projects which require Agency-wide attention and action by the Executive Director-Comptroller in order to implement.

9. To provide a common basis for preparation of an overall Agency report, it is essential that each Section be prepared in accordance with the format prescribed by OMB in the Attachment and the Exhibit to Circular A-44 (Revised). Self-designed forms or formats will be returned to you for re-submission in accordance with OMB instructions.

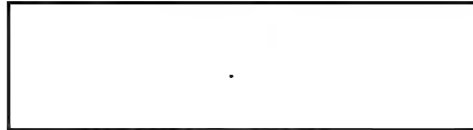
10. I have included, as Attachment B, a summary of OMB Circular A-44 (Revised) which was passed out to the attendees at the Executive Officers Group's special meeting on OMB Circular A-44 (Revised) on 28 June 1972.

11. I want to stress that the report you are being asked to write is not the primary objective of OMB Circular A-44 (Revised); rather, sustained management review and improvement of federal (this Agency's) programs are the primary responsibilities levied on us by A-44 (Revised). The Annual Management Report provides a platform for you to make known your successes as a manager and the success of the organization you have the responsibility for managing. Further, you have the opportunity to outline how you plan to ensure that your success will be measurably higher in the coming year.

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12. I am tentatively setting aside a portion of the Executive Session after the regular weekly Staff Meeting on 1 August 1972 for discussion of your progress on your Office's contribution to the Annual Management Report.



Robert S. Wattles
Acting Deputy Director
for Support

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Atts: A & B

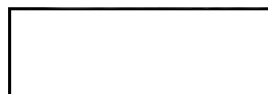
Central Intelligence Agency
Management Improvement and Cost Reduction Report
(OMB Circular A-44)
Fiscal Year 1971

- Section I Management Effectiveness Accomplishments
Fiscal Year 1971
- Section II Cost Reduction Accomplishments
Fiscal Year 1971
- Section III Management Effectiveness Goals
Fiscal Year 1972
- Section IV Cost Reduction Goals
Fiscal Year 1972
- Attachment 1 Report Reduction Report

Prepared by:

Office of Planning,
Programming, and Budgeting

31 August 1971



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Annual Management Improvement and Cost Reduction Report
(OMB Cir. A-44)

Section I - Management Effectiveness Accomplishments
Fiscal Year 1971

Action

Achievement

1. Review of staff cable-traffic requirements (FI Staff)
2. Decentralized COMINT ops. Intelligence Support to place responsibility closer to consumer (FE Div)
3. Revised and tightened management controls over the initiation of work orders under certain RD&E contracts for technical clandestine operations equipment (TSD)

15% reduction in paper handling of the Clearance Section of the Intelligence Group.

Improvement in program responsiveness to consumer. Should save one to two man-years.

Significant reduction in work orders issued as well as improved forecasting of costs and obligation levels required.

4.

25X1

5.

Reductions in volume and improvement in the utility of increasingly unwieldy daily listings resulting in an estimated savings totaling about two man-years among [redacted] and staff elements.

25X1

25X1

Section I - Contd.

Action

Achievement

- | | |
|--|--|
| 6. A reorganization of the Cartography Division of OBGi resulting in better production control through reallocation of certain production responsibilities, co-location of interacting organizational elements and development of a new production control system (OBGi) | Reduction in project backlog of 19% (927 to 750) although project requests were <u>up</u> 22% (2,856 to 3,496) in the same period. |
| 7. Expanded automation of R&D external contract data (DD/S&T) | Better correlation of contract funding and execution with planning and programming estimates (and vice versa) and a reduction in numbers of contracts which deviate from performance plans. |
| 8. Automation of performance and status data of scientific intelligence production projects to aid program director in his review and management activities (OSI) | Saves senior level time (600 hours annually) in reviewing program performance. |
| 9. Consolidation of cargo shipments and use of SEALAND vans from West Coast to Far East and SE Asia (DDS) | In-transit time reductions from 75-120 days under old system to 50-60 days under the new system. |
| 10. Concentrated attempt to reduce printing job production time. (DDS) | Average NIS printing production time reduced from 44 to 33 days; average time for other jobs reduced from 13 to 7 days; backlog of printing jobs reduced from 386 in July 1970 to 160 in May 1971. |

SECRET

Section I - Contd.

Action

Achievement

- | | |
|---|---|
| ✓ 11. New procedures and criteria were established for initiating name check searches at the National Security Agency (DDS) | Reduced unproductive searches by almost 50%. |
| ✓ 12. More stringent feasibility review of security support requests (DDS) | Reduction of 5-10% of total support requests acted upon. |
| 13. Reduction in time required to edit, coordinate and publish regulatory issuances (DDS) | Reduction in backlog from 44 jobs in August 1970 to 7 in May 1971. |
| 14. The adoption of a system for the assignment of high precedence designations to each addressee of a cable as appropriate rather than a single precedence to the cable itself (DDS) | Substantial reduction in the number of after-hours "call-ins" at the addressee location. |
| 15. Completed a three-year effort to reduce document holdings at the Agency Record Storage Center (Agency-wide) | A reduction in long-term Agency records storage holdings (which prior to 1968 had increased at a 10-year average annual rate of 6,500 cu.ft.) by 13,850 cu.ft. for a total computed savings of 33,350 cu.ft (elimination of growth plus net reduction). Combined storage and servicing costs are computed at \$2.15 per cu.ft. per year which reflects a total savings of \$70,700 over a 3-year period for a constructed average savings of approximately \$24,000 per year. |

SECRET

Section I - Contd.

Action

16. A major effort to reduce internal agency reporting requirements in accordance with the instructions contained in TM #1 to OMB Cir. A-44.

Achievement

Eliminated or sharply curtailed 157 of 1,835 reports for a constructed savings of \$420,846 (see Attachment 1).

Section II - Cost Reduction Accomplishments
Fiscal Year 1971

<u>Action</u>	<u>Savings</u>
1. Reduction of duplicate and triplicate coverage of periodic conferences (SB Div)	FY 72 \$ 45,000 (3 man-years) FY 73 60,000 (4 man-years) FY 74 75,000 (5 man-years)
25X1 2. Consolidation of [] and [] to eliminate duplicative activities and to simplify coordination (SB Div)	FY 72 \$ 15,000 (1 man-year) FY 73 15,000 (1 man-year) FY 74 15,000 (1 man-year)
3. []	\$ 1,260 (processing costs)
25X1 4. []	FY 72 \$ 16,000 FY 73 16,000 FY 74 16,000
5. Development of in-house capability to produce certain specialized computer software thus achieving reductions in contractual software support (NPIC)	FY 71 \$ 128,000 over FY 70

Section II - Contd.

Action

Savings

- | | |
|--|--|
| 6. Development of in-house capability for technical maintenance and diagnostic service on certain highly specialized photo-interpretation equipments thus avoiding the need for some contractual services. (NPIC) | FY 71 \$ 25,000
FY 72 25,000
FY 73 25,000 |
| 7. Joint (NSA/CIA) procurement of magnetic tape. (OEL) | FY 72 \$ 100,000
FY 73 100,000
FY 74 100,000 |
| 8. Improvement in procedures for deactivating computer system components during periods of low activity to reduce metered usage and rental charges. (OCS) | FY 72 \$ 60,000
FY 73 60,000
FY 74 60,000 |
| 25X1 9. Conversion of the [] heating plant from fuel oil to natural gas is in progress and is expected to be completed in 90 days. Based on a 2-year amortization of conversion costs, savings of \$6,800 are expected annually thereafter. (DDS) | FY 74 \$ 6,800 |
| 25X1 10. [] personnel were used to deliver 125 vehicles to the ports in lieu of commercial carriers at a savings of \$25 to \$35 per vehicle. This will be a continuing program. | FY 71 \$ 3,000
FY 72 3,000
FY 73 3,000 |

~~SECRET~~Section II - Contd.

<u>Action</u>	<u>Savings</u>
11. Negotiated cost reductions in procurement negotiations and special procurement techniques reduced actual costs substantially below those programmed by Agency components for their procurement requirements.	FY 71 \$1,500,000 FY 72 1,200,000 FY 73 1,200,000
12. Accepted recommendations of a construction engineer to use diesel generators in storage in lieu of procuring new generators in two projects. (DDS)	FY 71 \$ 30,000
13. A review and reduction of non-published telephone service resulted in annual savings of \$4,600. A procedural change requiring Agency operators to direct dial certain long-distance calls provided annual savings of \$2,400. (DDS)	FY 71 \$ 7,000 FY 72 7,000 FY 73 7,000
14. Rescheduling and transferring of night and day shift drivers resulted in a reduction of driver overtime requirements. (DDS)	FY 71 \$ 5,900 FY 72 5,900
15. A program utilizing WAE employees at the General Printing Plant has been eliminated. The cost of this program was \$2,000 per month. The program operated for 4 months during FY 1971. (DDS)	FY 71 \$ 16,000 FY 72 24,000 FY 73 24,000

~~SECRET~~

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Section II - Contd.ActionSavings

16. The change-over from hot metal to photocomposition has reduced the use of lead in our printing operations with a resultant savings of \$4,000. (DDS)	FY 71 \$ 4,000 FY 72 4,000 FY 73 4,000	
17. Developed computer processes replacing manual operations on vouchers, advance accounts and time and attendance reports. (DDS)	FY 71 \$ 22,500 FY 72 22,500 FY 73 22,500	
✓ 18. Replace one IBM 029 Key Punch Machine and six 059 Verifiers with four Univac 1701-04 VP Key Punch/Verifiers in April 1971. Approximate savings during 4th Quarter, FY 1971 - \$564. (DDS)	FY 71 \$ 2,256 FY 72 2,256 FY 73 2,256	(Subject to any further increases in rental fees.)
25X1 19. Economy measures [redacted] 25X1 [redacted] produced savings in overtime (\$5,000) and maintenance (\$9,500). Also an 25X1 [redacted] 25X1 [redacted] Four months' savings netted \$7,600 and OL will make final determination of the year's savings in October 1971. (DDS)	FY 71 \$ 22,100 FY 72 22,100 FY 73 22,100	

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~~SECRET~~Section II - Contd.

<u>Action</u>	<u>Savings</u>
20. Magnetic card typewriters were installed at selected work stations in OC where standard paragraphs and forms were used frequently. The expected savings equivalent to one man-year were realized as typing time was reduced and accuracy increased. (DDS)	FY 71 \$ 10,000 FY 72 10,000 FY 73 10,000
21. The central crypto accounting and warehousing activity of OC was converted from EAM equipment to IBM Systems III processor. This has resulted in an annual equipment rental savings of \$768; a reduction in space requirements in excess of 500 square feet; the elimination of the requirement for five 8-drawer cabinets for card storage, and the elimination of one staff position (\$13,000). A substantial improvement in the accuracy of the basic accounting data and associated reports has been achieved. As a result, accounting reports are compiled and processed more expeditiously. (DDS)	FY 71 \$ 13,768 FY 72 13,768 FY 73 13,768

~~SECRET~~

Section III - Management Effectiveness Goals
Fiscal Year 1972

Activity

Goal

1. Establish an incentive cost-accounting system for estimating and recording all resource costs related to ADP projects (OCS)
2. Functional co-location and consolidation of computer operations concerned with signal-analysis/processing. (OCS)
3. Improvement in automation of various technical intelligence collection operations (DDS&T)
4. Improved R&D program analysis, review, coordination, and information exchange techniques (DDS&T and ORD)
- 25X1 5. Review of [] dissemination support to US missions and other overseas establishments []
- 25X1 6. Examination and review of NIS production and format (OBGI)

Maximize efficient utilization of ADP equipment and manpower resources and to encourage users to apply quantifiable cost-benefit factors in the use of ADP resources.

Release of 360/50 computer (ORD); reduction in contractor-supplied support; saving of office and equipment space; improve technical interchange on problems of mutual concern.

Increase productivity of collection effort without commensurate increase in staffing requirements.

To increase relevancy and priority relationships of the R&D program within severely constrained resource allocations.

To reduce the number of lateral transmissions and to facilitate more prompt and complete response to consumer needs.

To eliminate duplicative production and to assure the "national intelligence" nature and scope of coverage in its most readily useable form.

SECRET

Section III - Contd.

Activity

7. Pursue arrangements for using DIA computer runs of area coverage files on in-house ADP equipment (NPIC)
8. To develop a system of machine assisted dissemination which will handle up to 50% of electrical transmissions automatically (CRS)
9. To continue development and refinement of country-programming and project approval systems (DDP)
10. To complete the review of the cost-benefit aspects of adopting a standard "three-year" overseas tour vs. the "two-year" tour at all non-hardship overseas posts. (DDP)
11. To examine the feasibility of consolidating certain overseas installations (DDP/EUR)

Goal

To provide imagery analysts with accurate photo coverage on a near real time basis to enable analysts to conduct research and analysis on a more timely basis.

To achieve more rapid dissemination of information to the user with less input of manual effort.

To reduce unnecessary paperwork while concurrently producing more incisive and relevant program and project information to support the decision-making process.

To assure proper staffing of overseas activities at minimum cost.

To reduce costs and improve the management and control capability.

Section III - Contd.

Activity

Goal

- | | |
|---|---|
| 12. Will continue the records control effort (DDP) | To reduce file holdings in all areas and to curb the heretofore continually increasing requirement for records storage space. |
| 13. To establish quality assurance standards for all classes of clandestine operations technical support materiel (DDP/TSD) | To assure the continuing and inherent reliability of this type of equipment. |
| 14. To improve the inventory control systems over clandestine technical support materiel (DDP/TSD) | To assure continual awareness of inventory levels in order to maintain an adequate but not excessive support capability. |
| 15. Identify areas in the Agency procurement management process, including planning, negotiation, administration and settlement which require corrective action. This will include in-depth surveys of the several decentralized Agency procurement elements. (DDS) | To increase the overall effectiveness of the Agency procurement structure. |

SECRET

Section III - Contd.

Activity

Goal

16. Work toward achievement of a building planning and space utilization program targeted at least 10 years ahead. This goal will, therefore, continue through FY 1972. It comprises planning for the building program to which OL is committed. (DDS)

Provide the most efficient structures, supporting facilities and systems and equipment to meet the Agency's needs in the Metropolitan Washington area.

17. Expand further our utilization of containerized shipments by extending their use to shipping direct from the vendor to destination, and also by using them for shipments destined through those ports where containerized handling facilities are available and where high volume shipments are directed. We are also studying the application of containerization to air shipments, particularly those moving via the [redacted] (DDS)

Reduce transportation time and pilferage and Agency depot handling, packaging and trans-shipment.

18. Establish an aggressive Environmental Improvement Program, in coordination with Federal, state and local agencies concerned, to identify and correct pollution problems. This program will be carried out in consultation with concerned Agency components. (DDS)

Assure Agency compliance with appropriate environmental protection standards and that upgrading action is taken wherever necessary.

19. Further reduce printing production time for all Agency components' printing requirements during FY 1972. (DDS)

To improve our responsiveness in support of the Agency's printing programs and reduce work backlogs.

SECRET

Sec II - Contd.

Activity

Goal

20.

25X1

21. Implement, in collaboration with Office of Computer Services, the new computer-based integrated payroll system for all personnel under official cover. The system with an implementation target date of 1 November 1971 is expected to result in as yet undetermined manpower savings. (DDS)

Provide for more effective use of people, space and equipment in terms of quantitative reductions or in terms of improved end products.

25X1

22. Develop plans for an improved system to process all [] overseas accountings, utilizing computer techniques. (DDS)
23. Develop plans for converting to microfilm those hard copy computer outputs destined for long-term storage as part of the records retirement program. Plans will include use of the microfilm as a day-to-day information source prior to retirement. (DDS)

Substantially reduce the manual work presently required and to satisfy internal financial reporting requirements in an optimum fashion.

Provide for more effective use of people, space and equipment in terms of quantitative reductions or in terms of improved end products.

25X1

Sect. III - Contd.

Activity

Goal

✓ 24.

25. Implement the PERINSUR project.
(DDS)

Provide a system of payroll deductions for
the payment of insurance premiums.

26. By virtue of the acquisition of certain advanced
technical equipment (ECG/Spirogram Data
Acquisition System) at a cost of \$25,000, all
EKGs done in the two clinical facilities of the
OMS will be recorded on magnetic tape, which
will in turn be processed by the Office of
Computer Services. (This equipment has an
analogous capability for computerized reading
of spiographic (lung function) studies and
the equipment will be applied to such OMS
testing at a later date.) (DDS)

Larger volume of EKGs; standardization of
interpretation (this now varies according to
the capability of the reading medical officer);
consistency of interpretation (this now varies
among different medical officers as well as for
the same medical officer on different occasions);
fast and accurate (estimated at over 90%)
screen-out of normal EKGs thus allowing more
detailed evaluation of abnormals by medical
officers. Potential for the near future: computer
storage and retrieval; correlation with other
computer stored medical data; basis for studies
and research.

III - 6

SECRET

SECRET

Section III - Contd.

Activity

Goal

27. By virtue of the acquisition of an IBM 1230 Mark Scoring Reader (at a monthly rental of \$440), the Psychological Services Staff of the OMS will be able to process its testing caseload (initially the Professional Applicant/Employee Test Batteries) in about one-third the time now required. (DDS)

Faster test scoring of PSS administered tests; two-thirds of the services of two psychometrists made available for expansion of more professional services within PSS.

28. Continue testing likely microfilm applications, including COM. (DDS)

To extend our knowledge of costs and/or benefits, facilitating determination of when and how to use microfilm.

25X1 29. To upgrade the relay station []
25X1 [] by increasing the power capability, installing additional transmitters, and otherwise enlarging the facility to meet its substantially increased role. (DDS)

To permit the [] facility to be phased down over the next two years and its operational role to be accomplished [] This move will economize positions, real estate, and property.

25X1

25X1

25X1 30. []

To utilize the automated relay facilities

[]

will expedite and insure accurate message delivery.

25X1

SECRET

Section III - Contd.

Activity

31. To begin action aimed at achieving an Automated Field Terminal (AFT). (DDS)

Goal

There are several important objectives inherent in the automated approach as applied to overseas field stations. The elimination of manual processes, wherever feasible, is a prime objective. Of corresponding value is the necessity, which is even now present, to increase the efficiency, reliability, speed of service and quality of service at field stations. Probable benefits of automation would be reduced personnel required to man a station, reduction of field station paper files via storage in other forms such as tape, reduction of clerical personnel for cable secretariat and registry functions as well as other side benefits.

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Section IV - Cost Reduction Goals
Fiscal Year 1972

Activity

Goal

1. Intensify efforts to locate a contractor who can satisfactorily rehabilitate magnetic tape for field use (OEL)
2. Continue development of a computer-driven type-setting system for the publication of scientific intelligence reports (OSI)

Precise cost reduction estimates are impossible to make at this time but it could be substantial.

Reduction by at least 50% in magnetic tape machine rentals (now at \$17 K per year) and additional savings in publication time and clerical typing man-hours.

Precise estimates are impossible to make at this time but they could be considerable if satisfactory agreements can be reached.

4.

Savings in transportation costs of \$15 K per year.

5.

\$5,000 to \$8,000 per year in terms of reimbursements to the Treasury in the form of paid subscriptions.

IV - 1

SECRET

Section IV - Contd.

Activity

Goal

- | | |
|--|--|
| 6. Reduce monthly recurring costs of LDX system by conversion from point-to-point to switch configuration (OCI) | Annual savings of \$6,000. |
| 7. The feasibility of employing a computerized "correction/edit" system for NIS processing will be examined (OBGI) | Savings would accrue but precise amounts cannot be estimated at this time. |
| 8. Reconfiguration of existing Univac 494 computers to satisfy specialized computer needs throughout the 1970 decade (NPIC) | Eliminate programmed acquisition of new computers at a cost of \$1.5 million in FY 74. In addition there will be savings in rental costs of related equipment of \$120,000 in FY 73 and \$240,000 in FY 74 and beyond. |
| 9. <div style="border: 1px solid black; width: 400px; height: 70px; margin-top: 5px;"></div> | Eliminate equipment rental costs amounting to \$15,000 annually. |
| 10. Continue to develop and use negotiation expertise and special procurement techniques so as to reduce actual procurement costs substantially below those which have been programmed by Agency components for procurement requirements during FY 72. (DDS) | Reduce the actual cost of materiel and services procured during FY 72 \$1.2 million below estimated and programmed costs. |
| 11. Devise a new motor pool dispatch system with the goal of reducing mileage costs as well as the amount of overtime required to provide dispatch service. (DDS) | Reduce the cost of scheduled bus and limousine runs by 25-30 percent. |

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Section IV - Contd.

Activity

Goal

12. Eliminate the need for a new courier vehicle in FY 72 by consolidating a special vehicle run into the established runs. (DDS)

Cost of a new van type vehicle, \$4,500, will be eliminated.

13. Termination of the Senior Management Seminar (Planning), a one-week program conducted by an outside contractor and requiring use of course material purchased from the contractor's firm, was approved in June 1971. Some of the materials are used in the Advanced Management (Planning) course. OTR will examine the feasibility of terminating the Planning course and replacing it with one of its own design, thus eliminating continued purchase of course material. If it is decided that a new course would be more relevant to the needs of the Agency managers, it is expected that such a course can be developed for presentation during the second half of FY 72. (DDS)

Total combined annual savings of \$12,000.

14. Produce low-cost, short training films for instructional programs. Except for the processing of the footage by Printing Services Division/OL, the scripting, filming and editing of approved films will be done by the Office of Training. Services of a contract script writer will not be required. (DDS)

Estimated savings of \$7,000.

Submittal on Government-wide Study to Improve
Federal Reporting and Reduce Related Paperwork

SUBMITTED BY: CIA Date: 31 August 1971

<u>Reporting Category</u>	<u>Base Period (As of 1-1-70)</u>	<u>Savings Goal (Due 9-30-70)</u>	<u>Actual Savings (Due 9-30-71)</u>
---------------------------	---------------------------------------	---------------------------------------	---

Public Reporting:

Number of reports	NA	NA	NA
Cost of reporting	NA	NA	NA

Interagency Reporting:

Number of reports	53	- *	None *
Cost of reporting	\$ 626,900	\$ - *	\$ None *


Internal reporting:

Number of reports	1,835	- *	157
Cost of reporting	\$4,030,931	\$ 232,892	\$ 420,846

* Largely OMB established reporting requirements and, therefore, beyond the Agency's ability to reduce significantly.

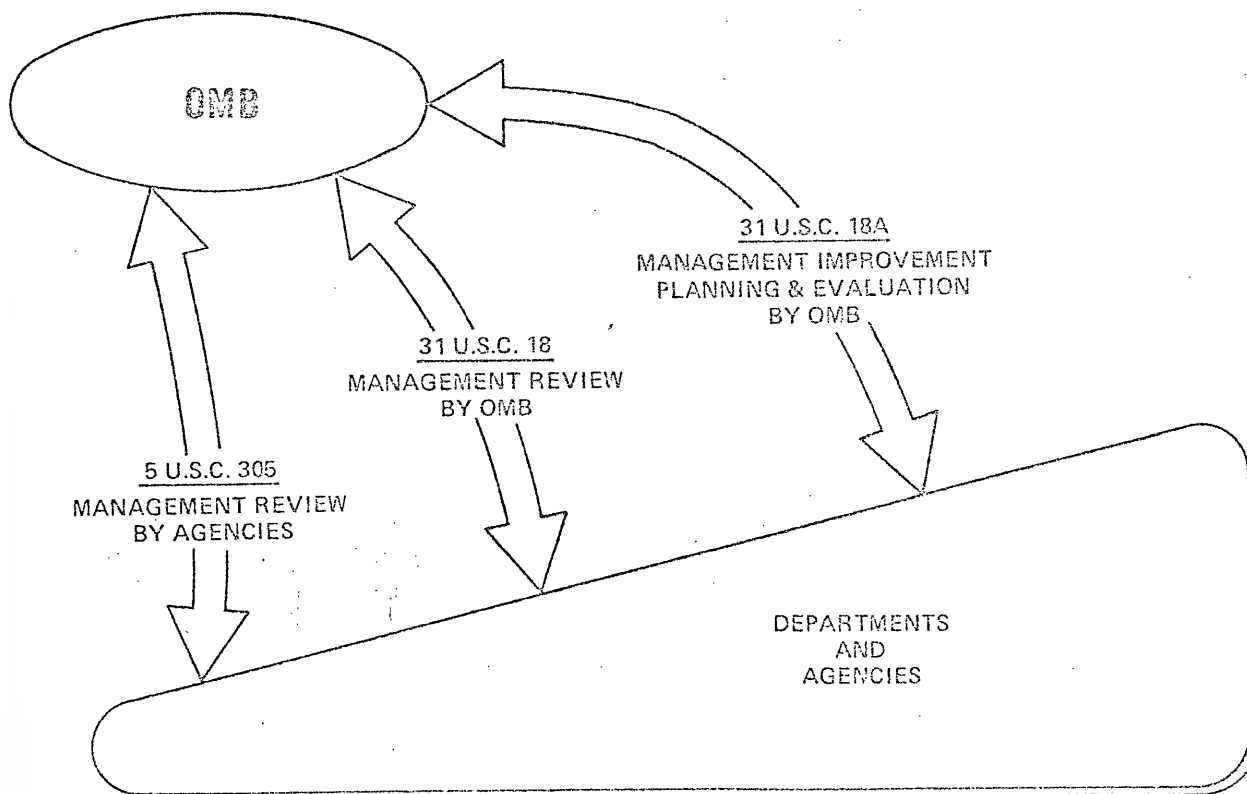
MANAGEMENT REVIEW
AND
IMPROVEMENT PROGRAM

MAY 1972

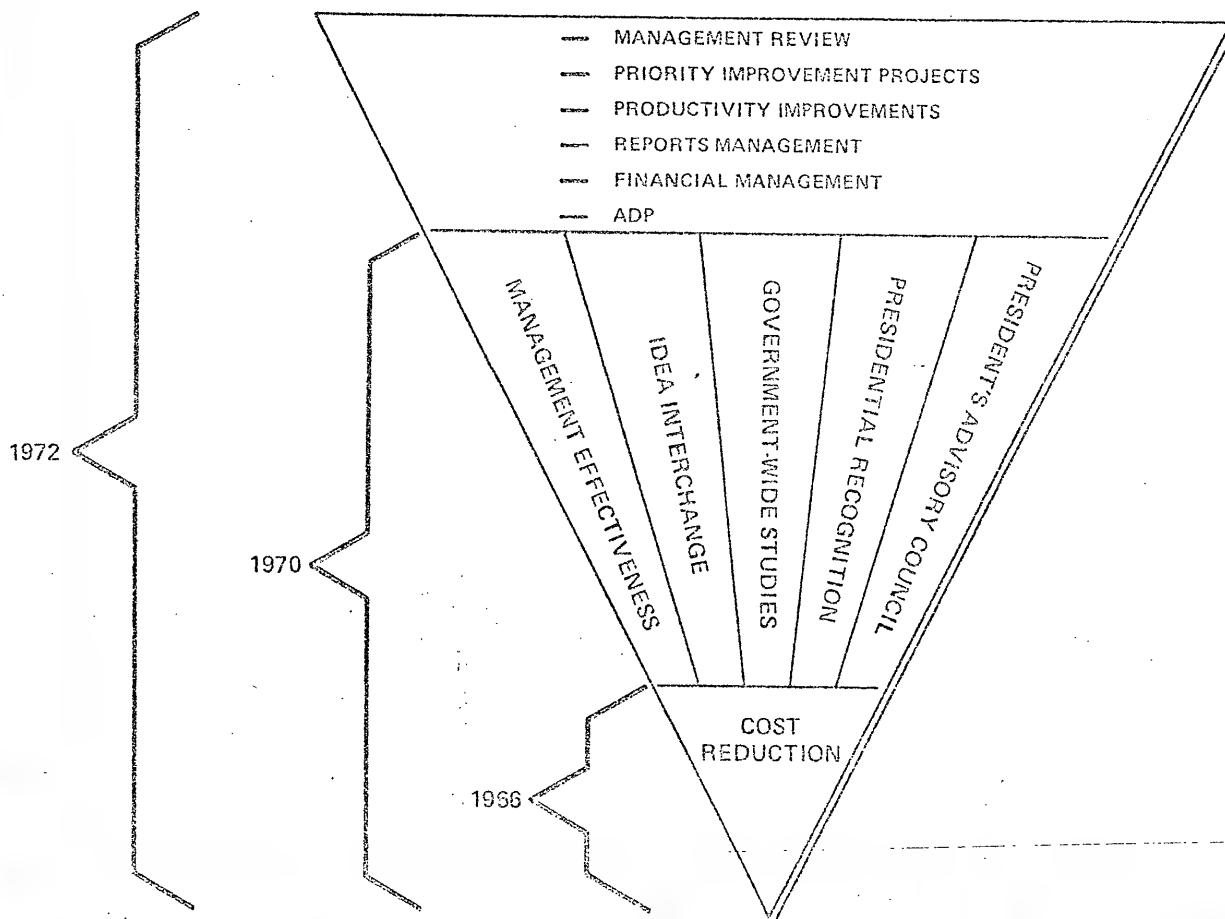


Executive Office of the President
Office of Management and Budget

STATUTORY RESPONSIBILITIES FOR DEPARTMENT AND AGENCY MANAGEMENT



- 1966 - COST REDUCTION PROGRAM
- 1970 - MANAGEMENT IMPROVEMENT PROGRAM
- 1972 - MANAGEMENT REVIEW AND IMPROVEMENT PROGRAM



PURPOSE OF THE MANAGEMENT REVIEW AND IMPROVEMENT PROGRAM

The purpose of this Circular is to provide guidelines for (a) management review and (b) management improvement, that will focus agency efforts on operating programs and on the functions essential to their support. These efforts will be evaluated at all levels based on contributions made to achieving operating program objectives.

MANAGEMENT REVIEWS INCLUDE:

- (1) Examination of operating programs to ascertain their impact on accomplishing a significant aspect of the overall mission.
- (2) Analysis of operations to determine whether they are being performed efficiently and effectively.
- (3) Appraisal of alternative approaches for performing operations in a more cost-effective manner.

SELECTION OF MANAGEMENT IMPROVEMENT ACTIONS

(a) The need for improving the operating program or function in terms of accomplishing the mission.

(b) The cost-effectiveness of an improvement in terms of the potential benefits to be obtained.

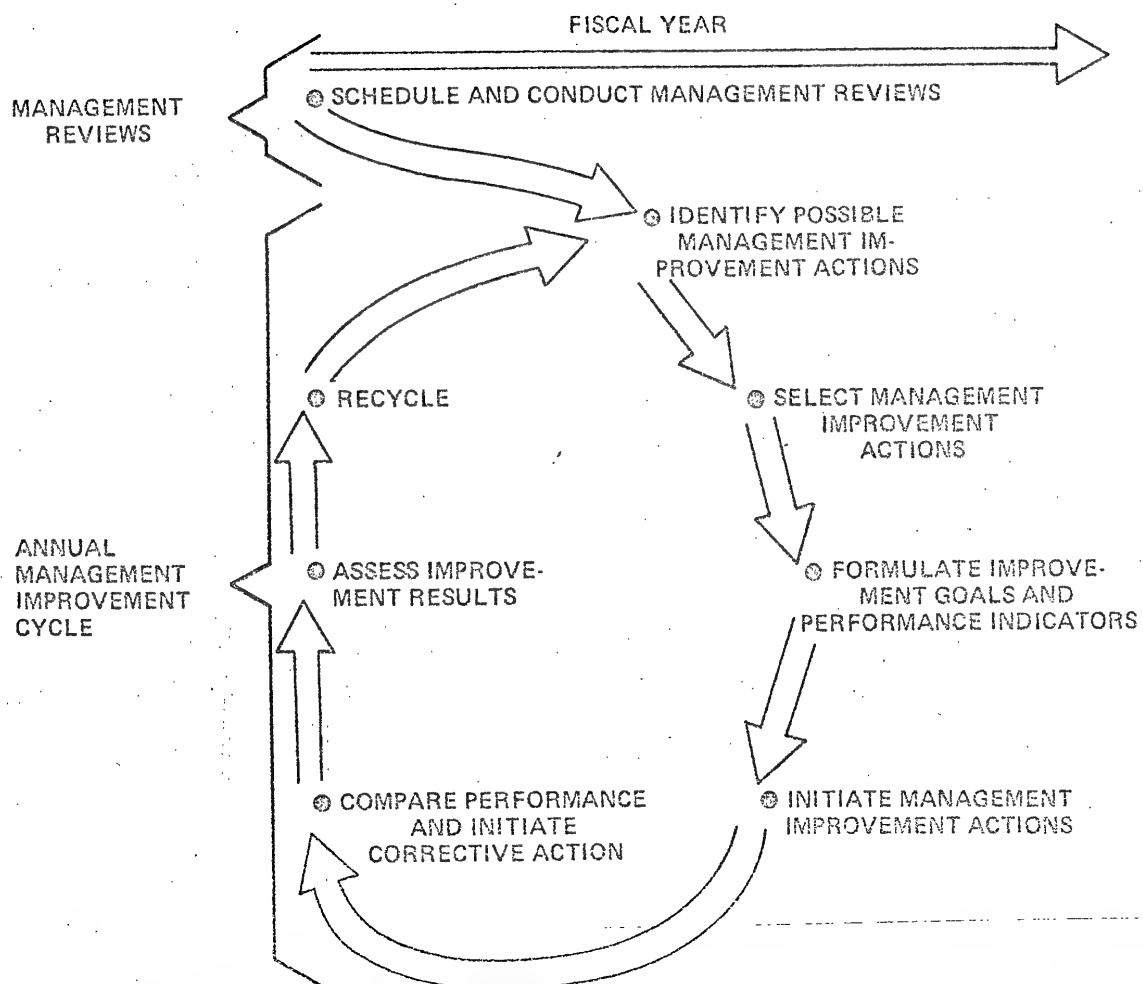
(c) The availability of resources to apply to the proposed improvement in terms of department or agency-wide priorities.

(d) The opportunity presented by an improvement for new initiatives that will encourage the better use of resources.

PRIORITY IMPROVEMENT PROJECTS

PERFORMANCE INDICATORS	----- PERFORMANCE -----			----- OBJECTIVES -----	
	BPRI	BASE YEAR (FY 1971)	PAST YEAR (FY 1972)	PAST YEAR (FY 1972)	CURRENT YEAR (FY 1973)
<u>A. PRODUCTIVITY</u>					
Applications processed per man-year	A	7,600	8,300	8,000	8,500
<u>B. SERVICE</u>					
Average total processing time per application in days	A	12	10	9	8
<u>C. QUALITY</u>					
Per cent of applications requiring reprocessing	A	7.5	7.2	6.0	4.0
<u>D. COST</u>					
Unit cost per application in dollars	A	100	98	96	92

ANNUAL MANAGEMENT REVIEW AND IMPROVEMENT CYCLE



MANAGEMENT REVIEW AND IMPROVEMENT PROGRAM GUIDANCE AND ASSESSMENT

OMB

DEPARTMENTS
AND AGENCIES

○ GUIDANCE

● IDEA INTERCHANGE

← SUBSTANTIVE
TECHNICAL →

● INTERAGENCY COORDINATION

← SURVEY AND
PROJECT SCHEDULING →

○ ASSESSMENT

● ON-SITE SURVEYS

← CAPABILITIES
DEFICIENCIES →

● INTERAGENCY STUDIES

← COMMON AREAS
PRIORITY EFFORTS →

● ANNUAL MANAGEMENT REPORTS

← PLANS
ACCOMPLISHMENTS →

● MANAGEMENT ISSUES

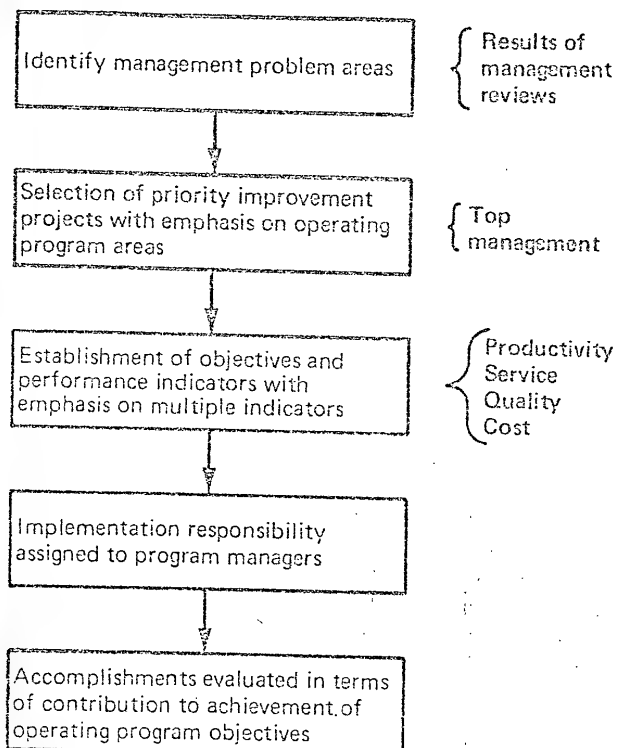
← BUDGET HEARINGS
ANNUAL MANAGEMENT LETTERS →

● OTHER MEANS

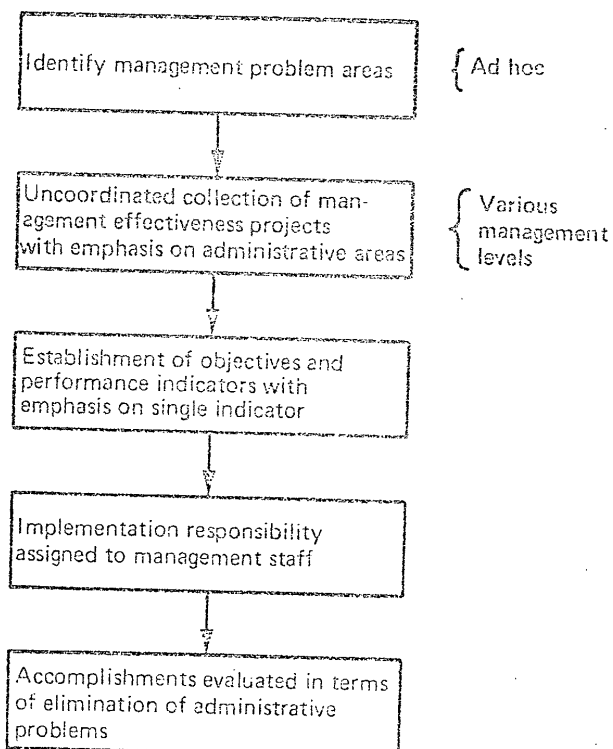
← PACMI
CONSULTANTS →

CHANGE IN APPROACH

REVISION



PAST



ANNUAL MANAGEMENT REPORT

- a. Management reviews (Section I);
- b. Priority improvement projects (Section II);
- c. Financial accomplishments and plans (Section III);
- d. Automatic data processing (ADP) improvements (Section IV);
- e. Management of Federal reports (Section V);
- f. Productivity improvements (Section VI);
- g. Cost reductions (Section VII); and
- h. Nominees for Presidential Management Improvement Awards (Section VIII).

Approved For Release 2002/08/15 : CIA-RDP83B00823R000400080001-5

Approved For Release 2002/08/15 : CIA-RDP83B00823R000400080001-5

OFFICE OF SECURITY

Annual OMB Management Improvement
Plans/Report (18 June 1971)
30 June 1971


SECRET

18 JUN 1971

MEMORANDUM FOR: Chief, DD/S Plans Staff

**SUBJECT : Annual OMB Management
Improvement Plans/Report**

Pursuant to the request contained in your memorandum,
Subject as above, dated 20 May 1971, the attached report is
submitted for your consideration to the annual report requested
from O/PPB.


Acting Director of Security

25X1

Distribution:

- Orig & 1 - Addressee, w/att
- 1 - AD/Security, w/att
- ✓ 1 - EPD File, w/att
- 1 - EPD Chrono

OS/EPD/gf (17 June 1971)

25X1

SECRET

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DDS Annual Management Improvement Plan
Directorate

30 June 1971

I - Management Effectiveness Goals (FY 72)

Brief Description of Effort Planned During Upcoming Year	Goals or Objective of Proposed Effort
<p>1. <u>Individual Career Advancement Program</u> - A thumb-nail description of all professional positions within the Security Career Service has been compiled and is available to all Security careerists.</p> <p>All Security careerists have completed an ICAP form which reflects a visual profile of a Security careerist as well as his preference for three future assignments and the training he feels is required.</p> <p>To implement the Program, the completed ICAP forms will be reviewed and catalogued for use by the Personnel Branch and the Office of Security Career Service Board. Purpose is to assist the careerist insofar as possible into assignment desired and yet meet the needs of this Office.</p>	<p>1. <u>Individual Career Advancement Program</u></p> <p>(a) To surface talent.</p> <p>(b) To motivate careerists toward building broad foundations for security careers.</p> <p>(c) To place more employees in the jobs which they want.</p> <p>(d) To stimulate the desire for training and language development and</p> <p>(e) Develop a Career Service which is cognizant of individual desires in building an inventory of careerists qualified and ready for broad utilization.</p>

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Approved For Release 2002/08/15 : CIA-RDP83B00823R000400080001-5

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DDS Annual Management Improvement Plan
Directorate

30 June 1971

I - Management Effectiveness Goals

Description of Effort Planned During Upcoming Year	Goals or Objective of Proposed Effort	25X1
--	---------------------------------------	------

After a favorable DDS Records Administration Branch
ability survey in coordination with OS, obtain authorization
the purchase and installation of mobile shelving as replace-
it for some of the open fixed shelf filing equipment in the
urity Records and Communications Division.

5. In one area of 1875 square feet, 4320 linear
feet of the conventional open shelf filing equip-
ment have been installed. The installation of
mobile shelving will increase the capacity for
dossiers to 7200 - an increase of 66 2/3% -
which would avoid relocation of the Division at
a later date.

SECRET

DDS Annual Management Improvement Report
Directorate

30 June 1971

II - Cost Reduction Goals (FY 72)

Brief Description of Effort Planned During Upcoming Year	Goal or Objective of Proposed Effort
1. To restructure the Overseas TDY Standby roster emphasizing location and long-term availability of Field Office agent personnel.	1. In view of the high cost of processing and documentation, elimination of a relatively transient group of agents will result in a monetary saving. Further, having qualified officers [redacted] could result in a savings of travel cost.
3. Plan to use Univac equipment instead of IBM data-communications equipment.	3. Annual rental savings-approximately \$552.00 per year.

25X1

25X1
25X1

SECRET

DDS Annual Management Improvement Report
Directorate

30 June 1971

25X1

III - Management Effectiveness Accomplishments FY 71

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years	Activity to Which Saving Will be Programmed
<div data-bbox="29 1270 558 1467"></div> <p>2. Security review of actions supplemental to retirement such as letters of appreciation, medallions, awards, etc. have been standardized and controlled to eliminate duplicate review. Each retirement action is now analyzed in one file review to cover all requirements.</p>	<p>Unable to determine savings at this level. Case handling time has been reduced by at least five days.</p> <p>There were 678 retirements during FY 1971. Supplemented actions approximated \$80. A total of 147 hours was saved.</p>	<p>To other work areas.</p>

DDS Annual Management Improvement Report
Directorate

30 June 1971

III - Management Effectiveness Accomplishments FY 71

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years	Activity to Which Saving Will be Programmed
3. New procedures and search criteria were established which eliminated unnecessary and unproductive name check searches at the National Security Agency by almost 50%.	Not susceptible to measurement or evaluation in terms of dollars saved.	3. The clerical and administrative time saved enabled exploitation of a new source of Special Intelligence as well as collateral information. Work requirements for a GS-13 were reduced with the GS-13 being given additional responsibilities.

DDS Annual Management Improvement Report
Directorate

30 June 1971

III - Management Effectiveness Accomplishments FY 71

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years	Activity to Which Savings Will be Programmed
4. The Office of Personnel adopted the use of applicant release forms. This will insure easier access to applicant information at less cost by field investigations.	It is impossible to estimate the savings that will be effected by this change because of many variables. Savings will be realized while ensuring completeness of investigations at the same time protecting the rights of the individuals involved.	
5. A Color Coded Case Control system was established in the Clearance Support Branch, Personnel Security Division. The thousands of individual monthly actions are now collected on a monthly basis and past actions can be verified without the necessity of calling for individual files.	Unable to ascertain the number of manhours saved.	
6. Reduced approximately 5-10% of total support requests as not feasible either through existing operational problems (i.e., cover considerations, jurisdictional responsibility) or because the requester was reluctant to bear the cost.	Unable to determine savings.	6. To devote efforts to more important activities

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DDS Annual Management Improvement Report
Directorate

30 June 1971

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III - Management Effectiveness Accomplishments FY 71

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years	Activity to Which Saving Will be Programmed
<div data-bbox="37 1272 579 1365" style="border: 1px solid black; height: 44px; width: 334px; margin-bottom: 5px;"></div> <p>over 15% during the past year without an increase in personnel by utilizing telephone arrangements and by encouraging visits of liaison contacts to Headquarters. This resulted in a decrease of travel and entertainment costs, the amount of which cannot be accurately estimated.</p>	<p>Not subject to an accurate figure.</p>	<p>Same activity, but increased production.</p>

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DDS Annual Management Improvement Report
Directorate

30 June 1971

IV- Cost Reduction Accomplishments FY 71

Summary of Improvement or Cost Reduction Achieved	Estimated Savings for Each of Next Three Fiscal Years			Activity to Which Savings Will be Programmed
1. Replaced one (1) IBM 029 Key Punch Machine and six (6) IBM 059 Verifiers with four (4) Univac 1701-04 VP Key Punch/Verifiers in April 1971. Approximate savings during 4th Quarter FY 1971 - \$564.00.	\$2256.00*	\$2256.00*	\$2256.00*	1. None. Amount of funds requested for rental fees will be reduced.
	(*Subject to any future increases in rental fees.)			
2. The destruction of temporary work files by the Overt Branch, Investigations Division, has resulted in a return of two safes during FY 1971 and a projected turnback of three safes in FY 1972. In addition there has and will be reduction of clerical and professional work requirements. There was a reduction in costs of \$1303 during FY 1971.	\$1063.00	\$ 375.00	\$ 375.00	2. The elimination of temporary work files has and will continue to reduce processing time within the Investigations Division.

14 July 1972

MEMORANDUM FOR: All Deputy Directors and Staff Chiefs

SUBJECT: Annual Management Report

REFERENCES (a) OMB Circular A-44 (Revised) dated May 24, 1972
(b) DD/S 72-2741 dated 12 July 1972

1. Reference (b) requires the submission of an Annual Management Report to the DDS by COB 8 August 1972. This is in addition to the Agency Annual Report requested on 11 July 1972. In addition it requires a status report of progress by the Director of Security to the DDS on 1 August 1972.

2. Each Directorate and Staff should prepare a consolidated report containing the following sections (see attachments to reference (b).)

Section II - Priority Improvement Projects

Section IV - ADP Improvements

Section VI - Productivity Improvements

Section VII - Cost Reductions

3. The following guidance is offered:

(a) Section II - You should use as the bases for this section, the "Management Effectiveness Goal" and "Cost Reduction Goals" for FY 1972 you submitted during June 1971 in response to our memorandum entitled Annual OMB Management Improvement Plans/Report dated 24 May 1971

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SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE
OF E. O. 11652, AUTOMATICALLY DOWNGRADED AT
TWO YEAR INTERVALS AND DECLASSIFIED ON

and the Office consolidated report which is attached hereto. Only those goals which are reasonably significant in terms of achieving some Agency management or operational or cost reduction goal should be used. Quality and validity are more important than quantity. You should also include reasonably significant new management effectiveness or cost reduction goals. In this case the "past year objectives" column will not be utilized.

(b) Section IV - This section is to be prepared by SR&CD. We will forward circular A-83 as soon as a copy can be obtained.

(c) Section VII - The bases for this section are those Cost Reduction Goals and Accomplishments not reported in Section II.

4. It has not yet been determined whether Section V-Management of Federal Reports, is to be prepared.

5. In order to meet the 1 August 1972 interim report requirement you are requested to submit to the Chief, Executive Staff on or before COB 26 July 1972 a copy of the work done on each of the four sections together with a statement of any problems you are encountering in preparing the report. Your completed consolidated report should be submitted to Chief, Executive Staff by COB 3 August 1972.

6. Any questions concerning this requirement should be directed to

Chief, Executive and Planning Division

Attachments

Distribution:

1 - Deputy Directors and Staff Chiefs, w/att

Contributions By
A&TS

Individual Career Advancement Program

This function was implemented for the purpose of allowing employees to express their desires for career advancement and to enable management to chart careers in accordance with the employees' desires and abilities.

a. As a prelude to the implementation of this Program a loose leaf binder containing an abbreviated thumbnail presentation of job parameters for all professional positions within the Security Career Service has been compiled and made available to all Security careerists.

In addition, an Individual Career Advancement Program (ICAP) form has been provided all professional careerists. This form reflects a visual profile of a Security careerist as well as a profile of the careerists' plans for three future assignments. It also provides an opportunity for each careerist to indicate the training he feels he should have to fulfill his plan.

These completed ICAP forms will be reviewed and catalogued for use by the Office of Security Career Service Board. Under this program and consistent with overall position requirements, the Office of Security can select personnel into assignments of their choice.

b. This plan was selected and implemented to permit employees to know what positions were available to employees within the Office of Security and to encourage the employee to look ahead and chart his course, according to his desires, for management consideration.

c. We feel that the operation of the ICAP Program has been quite successful in its first year of operation, particularly since we were in the process of effecting a sizeable personnel reduction and changes in assignments were less prevalent than normal.

a. Productivity

Performance - Base Year - NA

Performance - Past Year - This plan became fully operational with the beginning of FY 1972 since ICAP forms had been completed by practically all Security Careerists. This form has been utilized as one of the management tools in selecting Security Careerists for new assignments overseas

25X1 ☐ or at Headquarters. While many specific assignments were not requested by Security Careerists, a review has determined that more than 58.6% of the 70 openings occurring during FY 1972 were filled by Careerists who had requested them. Because of lack of openings, all Careerists could not be assigned to the first choice expressed for their career progression, but an attempt was made to assign them to one of their choices if an opening developed.

Objectives - Past Year - This function was implemented for the purpose of allowing employees their desires for career advancement and to enable management to chart careers in accordance with the employees' desires and abilities.

Objectives - Current Year - It is planned to utilize this ICAP form more extensively in the future for career planning and management functions.

- b. Service - NA
- c. Quality - NA
- d. Cost - Since this Program was executed by existing personnel in conjunction with other personnel functions, it does not lend itself to cost analysis.
- a. Performance was average due to surplus personnel situation occasioned by reductions in positions.
- b. None
- c. This is a continuing program.

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Identification of Program or Function: Security Reindoctrination Program #4

Description of Improvement: The Training Branch of the Office of Security is now in the process of preparing Security Reindoctrination Program Number 4. These reindoctrination courses are prepared and given on an approximate 5-year cyclical basis. It is planned to have this program completed and ready for presentation prior to the end of the calendar year and to start presentation on a daily basis early in 1973. The purpose of this program is to present this Reindoctrination Program to all Agency employees who have been on duty five years or more, to reindoctrinate all employees on new and/or continuing tradecraft requirements necessary to maintain the security of Agency units both personal and physical, and to reaffirm the necessity of maintaining or hardening Agency security by explaining new or continuing threats which have arisen or have continued since our last Security Reindoctrination Course was prepared.

NA

Contributions By
PS

26 July 1972


MEMORANDUM FOR: Chief, Executive and Planning Division

SUBJECT : Annual Management Report-Interim

REFERENCE : Memorandum, Same Subject, dated
14 July 1972

1. Attached are the Interim Reports from Personnel Security Division and Interrogation Research Division as requested in reference.

2. Also attached is the final report from the Security Records and Communications Division, same subject.


Assistant Deputy Director of Security
for Personnel Security

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20 July 1972

MEMORANDUM FOR: Deputy Director of Security
for Personnel Security

SUBJECT : Annual Management Report

1. Reference is made to the Chief, Executive and Planning Division memorandum, dated 14 July 1972, requiring submission of an interim report by 26 July 1972 prior to the complete report required by 3 August 1972. Pursuant to your request the following items are submitted for your consideration in the iterim report:

SECTION II--PRIORITY IMPROVEMENT PROJECTS
FISCAL YEAR 1972

- (1) The goal to strengthen regulations and management effectiveness concerning unauthorized retention of classified documents, by revision of [] and [], was achieved on 30 May 1972.
- (2) The goal to establish a program to personally interview all "Summer Only" employees was achieved with the interviewing of 211 such employees in May and June 1972. Each employee was personally advised of his involvement with the Agency as a member of an Agency family and he was made aware of Agency policies with regard to personal conduct and prevelant issues.
- (3) Denied Area Briefings--(figures being compiled)
- (4) Reinvestigation Program--(Types of cases and figures pending)

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OF E. O. 11652, EXEMPTION 2/12/87;
§ 60(1), (2), (3) or (4) (circle one or more)
AUTOMATICALLY DECLASSIFIED ON

- (5) Marijuana and Drug Study Program relating to applicant cases. (Statistics pending)
- (6) To establish a program of education for Agency employees concerning Drug Abuse. On 13 May 1972 this Office and the Offices of Personnel and Medical Services agreed to initiate this program.

SECTION VI--PRODUCTIVITY IMPROVEMENTS
FISCAL YEAR 1972

- (1) Case control system in the Support Case Section of Clearance Support Branch has now been in effect one year. (Figures are pending)
- (2) Productivity improvement and ease of operation is noted in the area of security reviews of actions supplemental to retirement; such as letters of appreciation, medallions, awards, and the Agency Reserve Program. During Fiscal Year 1972 there were a total of 617 retirements. This change in procedures can now be considered a standard method of operation.

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Acting Chief,
Personnel Security Division

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21 July 1972

MEMORANDUM FOR: Deputy Director of Security (PS)

SUBJECT : Annual Management Report

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1. The Annual Management Report was discussed with [redacted] Chief, Executive and Planning Division. [redacted] is aware that the primary function of the Interrogation Research Division is to provide polygraph support for other components of the Agency. Upon request, IRD conducts polygraph examinations for the Office of Security and Clandestine Service components, [redacted]. Case load statistics serve as the principal means by which accomplishments can be measured.

2. Interrogation Research Division is not engaged in any Priority Improvement Projects. Its primary activity and goal is to provide prompt and efficient polygraph support service to all requests of other Agency components. A continuous attempt is made to increase efficiency in service and to keep operating costs at the minimum, both to the Office of Security and to Clandestine Service components. There is very little, if anything, that IRD can contribute to the overall Annual Management Report.

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[redacted]
Interrogation Research Division

RP:1ht

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21 JUL 1972

MEMORANDUM FOR: Deputy Director, Personnel Security
SUBJECT : Annual Management Report
REFERENCE : Memorandum to DD's and Staff Chiefs,
Same Subject, dtd 14 July 1972

Attached is the Security Records and Communications
Division's input to subject report covering the sections
set out in paragraph 2 of referent.


Chief, Security Records and
Communications Division

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Attachment:
As Stated

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DDS Annual Management Report
Directorate

30 June 1972

SECTION II PRIORITY IMPROVEMENT PROJECTS

1. Project Title - Microfiche Program for retired files.
2. Security Records and Communications Division, Personnel Security Directorate, Office of Security files retirement program.
3. Summary statement of improvement approach.
 - a. Developed in compliance with the Executive-Director Comptroller's memorandum of 6 July 1971 to each Directorate to initiate aggressive and systematic action to reduce the net annual increase in the storage loads imposed on the Agency Records Center to zero. This project was selected after a file management study was conducted of SR&CD by the Support Service Staff. In a pilot project, 3 cubic feet of files were reduced to 3 1/2 linear inches of 4" by 6" microfiche diazo aperture cards. A requisition for a microfiche step and repeat camera, a microfiche reader and printer, and three microfiche readers were procured with FY 1972 funds just prior to the requisitioning deadline for the fiscal year.
4. Specification of improvement of objectives and performance indicators:

Performance Indicators	-----Performance-----			-----Objectives-----	
	BPRI	Base Year FY1971	Past Year FY1972	Past Year FY1972	Current Year FY1973
a. Productivity Net files retired to Records Center	N/A	10861	19645	19645	19645*

*The number of files to be microfiched in FY73 to achieve net zero growth in OS holdings at the Record Center.

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DDS Annual Management Report
Directorate

30 June 1972

SECTION II PRIORITY IMPROVEMENT PROJECTS

4. Specification of improvement of objectives and performance indicators: (con't)

- b. Service**
- c. Quality**
- d. Cost**

**These items will be developed as the microfiche program is carried out in FY73.

5. Assessment of performance:

- a. Reasons for short fall or above average performance - this data will be developed during FY73.
- b. Corrective action initiated or required - not applicable to this report.
- c. Target date for improvement objective achievement - a net zero increase in retired files should be achieved by 30 June 1973, i.e. The number of files reactivated from the Records Center to be microfiched should equal the number of files retired. The microfiche project is beginning with the oldest files. The file retirement program initiated in 1959, also began with the oldest files. As of 30 June 1972, 245434 files have been retired to the Record Center.

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DDS Annual Management Report
Directorate

30 June 1972

SECTION IV AUTOMATIC DATA PROCESSING (ADP) IMPROVEMENTS

	<u>Identification of Program or Function</u>	<u>Description of Improvements</u>
1. Significant improvements in the performance level of a program or function as a result of using ADP capability:		
a. Planned for current year.	Case Processing and Evaluation Reports - Office of Security (CAPER-OS).	One of 16 systems in the DDS Manpower Control System to provide on-line input/output control on case processing and off-line management studies on resource utilization. The on-line target date is 1 October 1973 with a follow-on 9 month period in which the system's data bank will be built.
b. Achieved during the past year.	None.	
2. Significant improvements in the management of computer facilities and resources:		
a. Planned for current year.	None.	

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DDS Annual Management Report
Directorate

30 June 1972

SECTION IV AUTOMATIC DATA PROCESSING (ADP) IMPROVEMENTS

	<u>Identification of Program or Function</u>	<u>Description of Improvements</u>
b. Achieved during past year.	ADPE used for the SANCA, SPECLE, SEADORS and USAINTC/NACC Telecom Link.	4 UNIVAC 1701-04 VP Key Punch/Verifiers were substituted for 1 IBM 029 Key Punch and 6 IBM 059 Verifiers resulting in lower net rental costs, savings in space, better mainte- nance/service by the lessor, and more effec- ient use of the equip- ment.

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----- DDS ----- Annual Management Report
Directorate

30 June 1972

SECTION VI PRODUCTIVITY IMPROVEMENTS

	<u>Identification of Program or Function</u>	<u>Description of Improvement</u>
Significant improvements in the productivity of operations planned for the current year (FY73).	a. Mobile Shelving Program.	At present the total capacity of fixed open shelf filing is 15,429 linear feet, of which approximately 2400 linear feet is empty. Mobile shelving in one area of 4320 linear feet of fixed open shelf filing will increase capacity to 8400 lin- ear feet - an increase of 94%. The resulting 2800 three foot filing sections, with an aver- age capacity of 100 files each could hold 280,000 additional dossiers. In terms of the average net growth of dossiers for FY68 through FY72 (18,300 dossiers), space for shelving files would not be exhausted until 1987.
Significant improvements in the productivity of Government operations achieved in the past year.	b. Microfiche Program for retired files. None.	See Section II.

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----- DDS ----- Annual Management Report
Directorate

30 June 1972

SECTION VII COST REDUCTIONS

1. Overall cost reduction dollar savings goal for current year (FY73): \$1140 savings was realized by substituting 4 UNIVAC 1701-04 VP Key Punch/Verifiers for 1 IBM 029 Key Punch and 6 IBM 059 Verifiers.

2. Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year (FY72)</u>	<u>Current Year (FY73)</u>	<u>Budget Year (FY74)</u>
a. Finance other approved requirements of the reporting unit.	N/A	N/A	N/A
b. Reprogrammed to finance other approved requirements.	N/A	N/A	N/A
c. Placed in reserve or applied to reducing the President's budget.	\$1140 less was needed under the rental contracts involved.	The amount requested for rental fees can be reduced by \$1140.	Subject to any increase in rental fees the amount requested for rental fees can be reduced by \$1140.

3. Summary descriptions of past year cost reduction achievements when the achievement:

- a. Has applicability to other departments and agencies; or
- b. Has a significant estimated budgetary effect in the current or budget year.

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DDS Annual Management Report
Directorate

30 June 1972

SECTION VII COST REDUCTIONS

3. Summary descriptions of past year cost reduction achievements when the achievement: (con't)

Under a) above: (1) The UNIVAC equipment utilizes less space; (2) more efficient use can be made of the equipment since a complete operation can be performed at the UNIVAC equipment while the IBM equipment required physical movement from one machine to another; and (3) the UNIVAC maintenance/service has been excellent during the past year (FY72). This may be explained by the fact that the overall UNIVAC rental contract includes an increment for maintenance/service where IBM's did not. Hence UNIVAC has costed out maintenance/service and provides it when IBM did not and reluctantly responded for maintenance/service when called upon. This savings does not have a significant estimated budgetary effect in the current or budget year.

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Contributions By
IOS

26 JUL 1972

MEMORANDUM FOR : Chief, Executive Staff

SUBJECT : Annual Management Report

1. Reference is made to your memorandum of 14 July 1972 requesting information on Subject to be submitted as an interim report by close of business, 26 July 1972. A copy of our work to date is attached and pertains only to Section II, per discussions with on 25 July 1972.

2. Problems encountered during preparation of this report fall into two categories, as follows:

(a) Problems of relating IOS operational procedures and practices to the wording of the report guidelines which is oriented toward DDP terminology and operational structure.

(b) Doubt as to any requirement to relate this FY 73 report to FY 72 report on a goal by goal basis rather than conform to guidance stating only significant goals are to be included in this years product.

Deputy Director of Security (IOS)

Attachments

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Next 2 Page(s) In Document Exempt

PRIORITY IMPROVEMENT PROJECTS

1. Elimination of unproductive National Agency Name Checks.
2. Scheduling of HISC (formerly HCUA) Name Check as requisite part of certain investigations.
3. (a) HISC Name Check was formerly scheduled as one of the required National Agency Name Checks in cases processed under EO 10450 and DCID 1/14. This procedure was discontinued and HISC Name Check is no longer being scheduled.

(b) A survey was conducted and reflected that the HISC Name Check was either nonproductive or that the information contained therein was available through other National Agency Name Checks.

(c) A value analysis proved very effective in arriving at the decision to eliminate this check.

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PRIORITY IMPROVEMENT PROJECTS

1. Curtailment of Credit Checks.
2. Scheduling of Credit Checks in all areas of residence or employment of Subject of investigation.
3. (a) Credit Checks were formerly scheduled on Subjects in all areas of residence or employment for the most current 15 years of their lives or from age 18, whichever was shorter. This procedure was discontinued and selective Credit Checks are now normally being scheduled on individuals 21 years of age or older and then only one check will be scheduled at the individual's current or longest residence.

(b) Subsequent to the passage of PL 91-508 (Fair Credit Reporting Act), a survey was conducted which revealed that the quality and quantity of information being furnished by Credit Bureaus had deteriorated to a great extent. In addition, the cost of these checks were rising. It is estimated that by scheduling selective Credit Checks the Office of Security will save approximately 50% of the previous cost for such checks.

(c) A value and cost effectiveness analysis were instrumental in making a determination in this instance.

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II PRIORITY IMPROVEMENT PROJECTS

1. Project Title: SA-DD/IOS/PFO
2. Project Function: Reassignment of responsibilities.
3. Summary Statement of Improvement Approach:
 - (a) The responsibilities of the SA-DD/IOS/PFO were re-assigned to the Chief, CI/CE Branch, Operational Support Division.
 - (b) This action was a result of a reduction of authorized positions for IOS and a proposal for better management and more efficient use of personnel in the CI/CE Branch.
 - (c) A value and cost effectiveness analysis were instrumental in making a determination in this instance.

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II PRIORITY IMPROVEMENT PROJECTS

1. Project Title: Screening of Operational Support Requests
2. Project Function: Determine feasibility or necessity of operational support requests.
3. Summary Statement of Improvement Approach:
 - (a) Advise requestors on best means and methods of effecting desired support action.
 - (b) Past experience has shown that many operational support requests can be more efficiently and expeditiously handled by the requestors themselves or by other appropriate Agency components.
 - (c) This program affords a realistic insight into the value of certain operational support requests and has significantly curtailed the acceptance of action not germane to the mission of the Operational Support Division.

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Approved For Release 2002/08/15 : CIA-RDP83B00823R000400080001-5

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PTOS

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Section VI. Productivity Improvements

Function The installation, repair, and maintenance of security alarm systems in all Agency buildings in the greater Washington area.

Improvement Prior to 1 July 1971 the 650 plus security alarm systems in the Washington area were installed and repaired under contract at a FY-71 labor cost of about \$65,000. Subsequent to 1 July 1971, this function was assumed by two engineers and three technicians of this office whose total yearly salary is about the same as the yearly labor cost of the old contracts. Since assuming this responsibility these five men have provided 24-hour response to alarm problems, substantially upgraded a significant number of systems, reduced false alarms and held the number of inoperative systems to a minimum. In addition, they have installed and maintained a completely new perimeter alarm on the fence of the Headquarters compound and have also repaired and maintained the closed circuit television system protecting the Headquarters Building and grounds. A labor contract for the last item above would be on the order of \$15,000 a year.

In the foreign area this group last year participated in four overseas trips in support of the Technical Division, OS, providing about 16 man-weeks of technical assistance.

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EXEMPT FROM GENERAL DECLASSIFICATION
OF E. O. 11652, EXEMPTION CATEGORY:
§ 65(1), (2), (3), (4) (circle one or more)
AUTOMATICALLY DECLASSIFIED ON

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Approval of the DCI.....
(unless impossible, insert date or event)

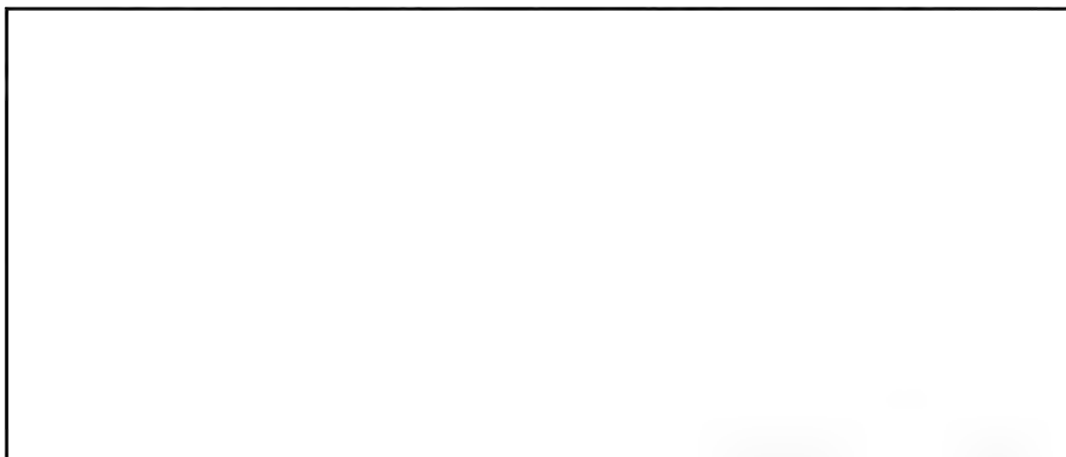
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Section VII. Cost Reduction Accomplishments

A. Action Established a security declassification procedure for two NPIC used "Fast-Rand drums resulting in a savings of \$317,480.

Achievement By implementing a refurbishing technique for two "Fast-Rand" drums that contained TOP SECRET Code-word data, the Information Processing Branch was able to effect a one-time savings of \$158,740 for each of two such drums. The drums had been damaged and were inoperative in the NPIC computer systems. This precluded the proper overwriting of data previously recorded on the magnetic surface of the drum. The procedure that was established was one where the drums were "refurbished" by grinding off all of the magnetic material in a precision fashion so that the drums could be "remade" as though the drum were being built for the first time. The cost of preparing the drums in this fashion for the refurbishing was \$5,800 for each drum. Had such a procedure not been possible, the Agency would have had to destroy the drums to protect the classified information and pay the full purchase price of \$164,640. This resulted in an effective dollar savings of \$158,740 for each drum; i. e., a total of \$317,480.

B.



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EXEMPT FROM GENERAL DECLASSIFICATION
OF E. O. 11652, EXEMPTION CATEGORY:
§ 53(1), (2), (3) or (4) (check one or more)
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(unless impossible, insert date of review)

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1. Security Surveys.

2. To insure the maximum standards of security compatible with the operating procedures in effect.

3. Summary of improvement approach:

- a. To conduct a security survey of not only the physical security aspects of a Station/Base but also to examine procedures in effect for the day to day activities as well as the plans to be implemented during a period of crises. Remedial recommendations are made as appropriate.
- b. To assist the Stations/Bases in implementing a sound security program by making available to them the services of security experts.
- c. With the changing of Station or Base activities, the security procedures may likewise require changes to insure compatibility.

4. Performance Indicators: *

..... PERFORMANCE.....
Base Year Past Year
 FY 1971 FY 1972

..... OBJECTIVE.....
Past Year Current Year
 FY 1972 FY 1973

Service (Stations/Bases Visited)

--

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* Other categories do not equate to this activity.

5. Assessment of Performance.

The performance over the past year was a decided improvement although the objective was not attained as the result of a cancellation of one survey trip due to an unforeseeable event.

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1. Preventative Maintenance.

2. To insure proper functioning of all security equipment.

3. Summary of improvement approach.

- a. The intent of this program is to inspect all security equipment and perform preventative maintenance as necessary to insure continued proper functioning.
- b. The program was initiated with the objective that servicing could prevent more serious problems from occurring.
- c. The program has proven its value merely by finding a number of safes which would have been definite "lockouts" had not the trouble been found in time.

4. Performance Indicators: *

..... PERFORMANCE.....
Base Year Past Year
 FY 1971 FY 1972

..... OBJECTIVE.....
Past Year Current Year
 FY 1972 FY 1973

Service (Items/Systems Inspected) 89

996

901

991

* Other categories do not equate to this activity.

5. Assessment of Performance.

With increased experience and continuous training, the headquarters based security equipment specialists are able to accomplish more in a given period of time.

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1. Alarm Systems.
2. Installation of security alarm systems.
3. Summary of improvement approach:
 - a. To plan, program and install security alarm systems in selected areas of Stations/Bases, and other Agency facilities.
 - b. To augment the physical security deterrents with the capability of immediate detection and possible apprehension of intruders.
 - c. Experience has shown, while it is possible to defeat pure hardware items, little capability exists to successfully defeat an alarm system.

4. Performance Indicators: * PERFORMANCE.....	 OBJECTIVE.....	
	<u>Base Year</u>	<u>Past Year</u>	<u>Past Year</u>	<u>Current Year</u>
	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1972</u>	<u>FY 1973</u>
	Service (Installations)	15	12	27 **

* Other categories do not equate to this activity.

** Increase in Objective, results from greater depth of application due to recently developed equipment.

5. Assessment of Performance.

Not Applicable.

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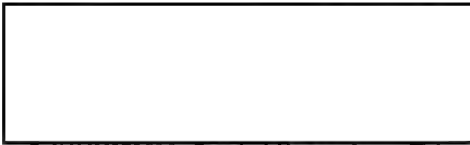
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COMMENTS

Section I - Management Reviews

1. Although the Inspector General is responsible for this section, we have been asked for comments, ideas or thoughts, on Section I.
2. This section is clearly defined as to what is required. We do not have a formal program per se in the Office of Security for management reviews, however, each component is continuously reviewing its operations and practices because of budget and manpower allocations. Each budget year OS components do review their operations when budget submissions are made to A&TS.
3. If the requirement is levied for formal management reviews in OS by DDS, good management would dictate this function be placed in one of the staff elements of the office. This would require additional personnel (probably one employee or two) to handle a continuous program. On the other hand each component could conduct its own review and submit annual reports to a designated staff element following Section I guidelines.
4. On 21 November 1968, the DDS requested each component to make a critical review of its operations. This covered a period of time and our last report was made to the DDS on 10 February involving PTOS and IOS.
5. Later on this year, the Inspector General will conduct an inspection of OS which will be broader than the Office of Security itself and will probably go into the broader concept of security.

STAT


Chief, Executive and Planning Division

ANNUAL MANAGEMENT REPORT

SECTION I - MANAGEMENT REVIEWS

IG RESPONSIBLE
FOR THIS SECTION

Brief description of procedures established to conduct management reviews:**

- a. Review policy.
- b. Review objectives.
- c. Review approach.

Review plans for current year summarizing in brief narrative statements:**

- a. Operating program objectives to be examined.
- b. Major operations to be analyzed.

Review achievements for past year summarizing in brief narrative statements of changes in:**

- a. Operating program objectives.
- b. Major operations

Description should reference any on-going examination, analysis, and appraisal efforts which an agency has designated as part of its management review procedures. This description is to be reported only in the first submittal or in subsequent submittals when a significant change in management review procedures has been implemented.

Review plans and achievements may be precleared by an agency with the applicable OMB program division prior to submittal to facilitate delineation of an appropriate level of detail. Review achievements for fiscal year 1972 do not have to be reported.

27 July 1972

MEMORANDUM FOR : Chief, Executive Staff

ATTENTION :

[REDACTED]

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SUBJECT

: Annual Management Report

1. Reference is made to IOS' interim contribution to Subject, dated 26 July 1972, and your verbal request for additional comments for Section I which was not originally required.

2. Based on budget and manpower allocations, a routine request from your office, and special inquiries directly from the DD/S through the Director of Security, IOS is continually monitoring and reviewing its operations and practices. As a result, the following areas have been covered during FY 1972:

a. Alternative methods of conducting investigations - Staff versus Proprietary Hire.

b. Feasibility of the elimination of a special project of

[REDACTED]

d. Advisability of the elimination of certain checks relative to Green List checks.

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IOS

COMMENTS - SECTION I

MANAGEMENT REVIEW

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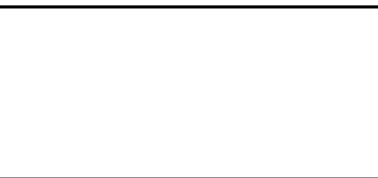
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27 July 1972

MEMORANDUM FOR: Assistant Deputy Director of Security
for Personnel Security

1. Reference is made to the Chief, Executive and Planning Division, Executive Staff, verbal request for supplemental information to be presented to him informally concerning previous critical reviews by this office.
2. As you are aware the Inspector General conducted a complete survey of Office of Security in 1967. Significant changes including reorganization of the Clearance Branch resulted from that survey. Results were made known to Executive Staff on 7 November 1967.
3. In January 1969 a Critical Review was conducted of this Division's functions. These results were made known to Executive Staff by memorandum on 6 January 1969. Contained in that memorandum is a reference to an analysis by Office of Personnel's Wage and Classification Staff. The results of this analysis cannot be found in this Division. It is assumed the report is at the Staff level and very probably with Executive Staff.
4. Insofar as is known the aforementioned 1969 review is the last such action. With regard to any new project in FY 1972 the Drug Abuse Program, fully explained in previous reports, is the only such current Program. How this will be measured or evaluated is problematical. Its aims are of a preventative nature along educational lines.

STAT



Acting Deputy Chief
Personnel Security Division

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COMMENTARY SECTION I

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